

TAXATION

[illegible]



SENATE STANDING COMMITTEE REPORT

February 20, 2007

Page 1 of 1

Mr. President:

We, your committee on **Taxation** recommend that **Senate Bill 416** (first reading copy -- white) do pass.

Signed: _____

A handwritten signature in cursive script, appearing to read "J. Elliott", written over a horizontal line.

Senator Jim Elliott, Chair

- END -

Committee Vote:

Yes 9, No 2

Fiscal Note Required _____

Handwritten initials, possibly "KF", written in a stylized cursive font.


381235SC.ssc

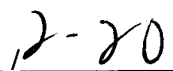
COMMITTEE FILE COPY

TABLED BILL

The **SENATE TAXATION COMMITTEE** TABLED SJ 7, by motion, on **Tuesday, February 20, 2007.**


(For the Committee)


(Secretary of the Senate)


(Time) (Date)

February 20, 2007

Lois A. O'Connor, Secretary

Phone: 444-4772

MONTANA STATE SENATE
2007 LEGISLATURE

TAXATION

ROLL CALL VOTE

DATE 2-20-07 BILL NO. SB-416 NUMBER 7

MOTION: Amendment #SB041601.2gp
failed 5-6

NAME	AYE	NO
SEN. JERRY BLACK (R)	✓	
SEN. JEFF ESSMANN (R)	✓	
SEN. KELLY GEBHARDT(R)	✓	
SEN. KIM GILLAN (D)		✓
SEN. DAN HARRINGTON (D)		✓
SEN. CHRISTINE KAUFMANN (D)		✓
SEN. SAM KITZENBERG (D)		✓
SEN. JIM PETERSON (R)	✓	
SEN. TRUDI SCHMIDT (D)		✓
SEN. ROBERT STORY (R)	✓	
SEN. JIM ELLIOTT (D) CHAIRMAN		✓
	5	6

MONTANA STATE SENATE
2007 LEGISLATURE

TAXATION

ROLL CALL VOTE

DATE 2-20-07 BILL NO. SB-416 NUMBER 2

MOTION: No Pass

Passed 9-2

NAME	AYE	NO
SEN. JERRY BLACK (R)	✓	
SEN. JEFF ESSMANN (R)		✓
SEN. KELLY GEBHARDT (R)		✓
SEN. KIM GILLAN (D)	✓	
SEN. DAN HARRINGTON (D)	✓	
SEN. CHRISTINE KAUFMANN (D)	✓	
SEN. SAM KITZENBERG (D)	✓	
SEN. JIM PETERSON (R)	✓	
SEN. TRUDI SCHMIDT (D)	✓	
SEN. ROBERT STORY (R)	✓	
SEN. JIM ELLIOTT (D) CHAIRMAN	✓	
	9	2

P
P

SENATE PROXY FORM

According to Senate Rule 30-70 (13) (f) , a committee member may vote by proxy using a standard form.

PROXY VOTE

I, the undersigned, hereby authorize Senator Story

to vote my proxy on any issue before the Senate _____

Taxation _____ Committee

held on Feb - 20, 2007 , 2007.

SB 416 - Yes

Jerry Black
SENATOR
STATE OF MONTANA

SENATE PROXY FORM

According to Senate Rule 30-70 (13) (f) , a committee member may vote by proxy using a standard form.

PROXY VOTE

I, the undersigned, hereby authorize Senator Kim Gillan

to vote my proxy on any issue before the Senate Tax

_____ Committee

held on Feb 20 '07, 2007.

SB 416 NO by proxy from member
SB 416 Bill ~~Q~~ YES by proxy

Judi Schmitt

SENATOR
STATE OF MONTANA

TAXATION

DATE February 20, 2007

BILLS BEING HEARD TODAY SB-496; SB-539; SR-7

PLEASE PRINT

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

Mr. Chairman and Members of the Senate Taxation Committee:

My name is Joe Roberts and on behalf of the Montana Association of Realtors. I stand in opposition to Senate Bill 496.

Our association has opposed several legislative attempts to incorporate an acquisition value methodology into the state's reappraisal responsibilities. We feel, in a nutshell, that this methodology is in reality a tax shift from one sector to another; first within Class Four property for residential and commercial properties, but ultimately a shift between all classifications of property.

Before going on, however, I have to complement the sponsor. One of our arguments against the adoption of acquisition value has been that it is in violation of our state's constitution. It is to her credit that Senator Curtis has recognized that constitutional change is necessary before this methodology could be used in Montana.

One of the situations that will occur under an acquisition value appraisal methodology is that like properties will be taxed at very different rates. This seems to go against one of the basic tenets of fair taxation. But consider the situation under an acquisition value methodology : two house of identical characteristics that are across the street from each other. It could end up that these two houses are taxes at substantially different rates, and most people would deem that to be an unfair result.

Heard 2/9/7



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill # SB0416

Title: Secretary of state - department of revenue taxpayer identification

Primary Sponsor: Kaufmann, Christine

Status: As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
Proprietary	\$24,000	\$0	\$0	\$0
Revenue:				
Proprietary	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of Fiscal Impact:

The bill creates coordination between the Secretary of State's Office and the Department of Revenue related to federal tax identification numbers. The Secretary of State will modify its existing database for a one time cost of \$24,000 of proprietary funding.

FISCAL ANALYSIS

Assumptions:

Secretary of State

1. SB 416 requires the disclosure of the federal tax identification number of a business entity on the Annual Report filed with the Secretary of State's Office (SOS).
2. The SOS database shall be enhanced to maintain the Federal Tax ID number and the Department of Revenue specific tax year data as defined by the bill.
3. The one time cost to modify the existing database is \$24,000. The estimated cost includes time to code and test modifications to the existing system used for the web interface process for accessing Corporation and LLC mainframe data, test the application online modifications to add, change, inquiry, and update history screens, test batch reporting enhancements, a process to update the current SOS database to include existing

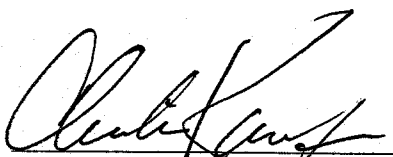
Fiscal Note Request – As Introduced*(continued)*

Federal Tax IDs, and additional data as received from DOR, and to define security for both the SOS mainframe application and the BEAR interface process.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
Secretary of State				
<u>Expenditures:</u>				
Operating Expenses	\$24,000	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
Proprietary	\$24,000	\$0	\$0	\$0
TOTAL Funding of Exp.	<u>\$24,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
Proprietary	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
Proprietary	(\$24,000)	\$0	\$0	\$0

Technical Concerns:

1. Section 3 requires that the list be furnished by December 15. It is not clear whether the list would include all returns from January 1 through December 15 or the list would be established between the two agencies. It is assumed that the list would not include tax returns filed prior to the effective date of the legislation.
2. The business activity code is not currently entered into computer systems. The legislation only requires the business activity code "if available."


Sponsor's Initials

2/8/07
Date


Budget Director's Initials

2/8/07
Date